

14/2023

CB A | NEWS

Dear Colleagues,

Summer is in full swing and so is the festival season. We have a terrific opportunity to take part in the Colors of Ostrava music festival with our successful cybersecurity project #nePINdej!. If you are there, please do not hesitate to visit our booth.

And of course, we continue to be busy with our regular agenda and are also preparing for the launch of the next year of the financial literacy education project Bankers Go to Schools, which will run from September until the end of the year this time as the interest of schools in it is really great.

Like last year, the project will focus on the basics of financial literacy, but also on cyber security. Primary and secondary school pupils will have the opportunity to try out an interactive cyber-test on the website www.kyberhra.cz, and the examples of frauds shown in the test are tailored to the target group.



Enjoy the summer and stay safe not only on these hot days.

Monika Zahálková
Managing Director of the CBA

News of the Day

The volume of mortgages granted in June was the highest for the past year and the interest rate fell at the fastest pace this year, to 5.86%.

Banks and building societies granted mortgage loans worth CZK 14 billion in June. The volume of mortgages granted thus increased by 13 percent month-on-month. June is usually the strongest month of the year in terms of mortgage market activity and is traditionally more favorable than May. However, this year's June increase was higher than usual, albeit only slightly. June's volume of mortgages granted is the highest so far this year and the highest since the middle of last year when the market began to freeze noticeably. The readings of recent months thus suggest that the mortgage market is recovering slightly, although it remains subdued compared to the past. In year-on-year terms, the volume of mortgages granted was 28% lower in June, so the year-on-year decline is gradually slowing, but this is also due to the effect of a lower comparative base. Interest rates declined in June, reaching the level of 5.86% where they were in March. Despite their volatility, market interest rates are falling, and their June average was at its lowest level this year. The information is based on data from the CBA Hypomonitor, which captures data from all domestic banks and building societies providing mortgage loans.



From the Market

#nePINdej! heading to Colors of Ostrava

After a successful premiere at the Rock for People, where we had the opportunity to introduce cyber-test to festival visitors thanks to Komerční banka, we are moving on to another festival for music lovers – the Colors of Ostrava. Thanks to Česká spořitelna, which is letting us use its exhibition area, festival visitors will be able to try a shortened version of the cyber-test and learn about the frauds that are spreading in the online world. If you are also heading to the Colors, be sure to stop by the #nePINdej booth! We have a little surprise for everyone who takes the test.

More than three quarters of Czechs will pay with a card, smartphone or watch on holidays abroad

According to the current Visa CEE Travel and Payment Intentions 2023 survey, which covers eight CEE countries, including the Czech Republic, the majority of

Czechs are used to online travel purchases. 65% of them book trips abroad with a travel agent online and 67% book accommodation online if they are travelling on their own. While abroad, 8 out of 10 Czechs prefer to pay by card, smartphone or watch and 40% of them expect to spend between CZK 5,000 and CZK 14,000 per person on their foreign holidays.

Supervisors of banks are making progress in the fight against financial crime, EBA finds

Last week, the European Banking Authority (EBA) published the conclusions of its 2022 review of competent authorities' approaches to tackling money laundering and terrorist financing (ML/TF) risks in the banking sector. Overall, the EBA's findings suggest that supervisors are making progress in the fight against money laundering and terrorist financing. Nevertheless, most supervisors in the above-said review were asked to do more to tackle ML/TF risk in their banking sector.

Commentary

Inflation below 10% after a year and a half

The year-on-year price inflation in June slowed to 9.7% from 11.1% in May. This is the first time since January last year that year-on-year inflation has fallen below 10%. On a month-on-month basis, prices increased by 0.3%, the same as in May.

The main reasons for the 0.3% month-on-month price increase were the rise in vacation expenditures at the start of the summer season (8.7%), a renewed rise in imputed rent, as well as increases in prices of alcoholic beverages and restaurant prices. Conversely, food contributed slightly to the decline, although vegetable prices rose quite significantly month-on-month (5%), above normal seasonality for June. From the central bank's perspective, June's inflation figure gives a slightly mixed impression, with both more hawkish and dovish voices finding their arguments. However, we do not consider further interest rate hikes likely now, even in light of other data from the economy.

Jakub Seidler,
Chief Economist of the CBA



Industry's growth above expectations

May's industrial production ended above market expectations, with working day-adjusted year-on-year growth rising 1.4%, while the market was expecting a 0.8% decline. Similar to previous months, the year-on-year development in the industry was favorably influenced by the automotive sector, where month-on-month production grew by 2.8% and the year-on-year growth rate reached 19% due to the low comparative base. However, without the favorable influence of the automotive sector, the industry would have experienced a noticeable year-on-year decline, as most industries are declining year-on-year. The consensus of economists expects industrial production to stagnate this year, less favorable leading indicators not only from the domestic industry and a decline in new orders suggest that the industry

may eventually decline this year as even the positive influence of the automotive sector will start to fade in the second half of the year.

Jakub Seidler,
Chief Economist of the CBA




From Legislature



The right to pay in cash is back on the table again

Members of Parliament from the SPD, an opposition movement, have put forward a proposal to supplement the Charter of Fundamental Rights and Freedoms to protect citizens' privacy. According to the proposal, the Charter should enshrine the right of everyone to "make cash payments", a right that could only be restricted by law to protect national security and public order. The government will first consider the proposal, and then the legislators will decide on it. The explanatory memorandum of

the proposers of the draft highlights concerns about the gradual restriction and abolition of cash payments. They argue that cash payments are not only an important economic tool, but also a way to protect citizens' privacy and freedom from absolute control over their payments for goods and services. They also warn of the potential misuse of information collected in connection with non-cash payments. The proposed amendment to the constitutional charter would explicitly preserve the state's right to restrict cash payments to protect security and public order. There is currently a law that requires cashless payments for amounts exceeding CZK 270 000 in order to prevent crime. A similar proposal to include the right to cash payments in the constitutional charter was recently submitted by a group of senators led by Jitka Chalánková from the ODS and TOP 09 clubs. This proposal was rejected by the Senate in February of this year.

A photograph showing a man in a blue jacket standing in a classroom, pointing at a whiteboard. The whiteboard has text in Czech, including "NETOVÉ BANKOVNICTVÍ". In the foreground, the back of a student's head wearing a red shirt is visible, looking towards the presenter. The classroom has bookshelves filled with books in the background.

Bankers Go to Schools for the tenth time

From September until the end of the year, the CBA will organize the tenth anniversary year of the Bankers Go to Schools financial education project. Its aim is to develop the knowledge of pupils in 8th and 9th grades of primary schools and 1st and 2nd grades of secondary schools in the field of personal finance management and cyber security. The workshops, which last two teaching hours, are led by experts from member banks and are provided free of charge to schools. The interest of schools and volunteers in participating in the project has been increasing every year. In 2022, workshops were held for almost 7,000 pupils and students from all over the country.

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GARANT PROGRAMU
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Proděkan FFÚ VŠE
Prezident Komory auditorů ČR



I. modul: Základy finančního
reportingu a jeho regulace
12. září 2023



II. modul: Účetní závěrka -
zdroj informací o firmě
26. září 2023



III. modul: Mezinárodní
pravidla reportingu
10. října 2023



IV. modul: Daně
a jak na ně
24. října 2023